

**Opening Statement of Chairman Bob Latta**  
**Subcommittee on Digital Commerce and Consumer Protection**  
**“Oversight of the Federal Trade Commission**  
**July 18, 2018**

*(As prepared for delivery)*

Our hearing today will focus on oversight of the Federal Trade Commission. The FTC functions as the top cop on the beat to keep consumers safe and to promote a vibrant free market in the United States.

We look forward to working with the FTC on specific issues relating to this Subcommittee’s jurisdiction, including self-driving cars, data security, the Internet of Things, blockchain technologies, privacy issues, deceptive advertising, robocalls, and much more.

We look forward to hearing how the Commissioners and the agency will advance its dual mission to protect consumers and police anti-competitive behavior—all without unduly burdening legitimate business activity and innovation.

Emerging consumer protection issues are at the forefront for this committee. Recently, I joined Chairman Walden, Chairman Blackburn, and Chairman Harper, sending letters to Apple and Google, asking them to explain how smartphone users’ data is protected, and when audio recording data and location information is compiled and shared. This morning, we will be sending letters to location data aggregator LocationSmart, Securus, and 3CInteractive Corporation.

On the data security front, some estimates have the cost of global cybercrime reaching \$2 billion by 2019. Criminal activity, such as identity theft and ransomware, have been directly linked to security breaches, harming consumers and businesses—particularly small and medium size businesses.

We continue to remain concerned about whether businesses are properly incentivized to protect the most sensitive data they hold about individuals and prepared to respond to breaches if and when they do happen. As we all know, there is no such thing as 100% perfect security.

We will continue to work with regulators to understand what transpired in the recent high-profile breaches and what we should learn from these situations for the future.

The *Economist* proclaims, the “world’s most valuable resource is no longer oil, but data.” Data requires us to think through how we approach competition and consumer protection issues in a market where data is exchanged for good and services. I look forward to a thoughtful discussion of the appropriate steps the FTC is considering, including the Chairman’s recently announced hearings on 21st Century challenges.

In my remaining time, I would like to hear how Chairman Simons will work to utilize the FTC’s annual funding to its greatest need and impact, judiciously using the taxpayer’s dollars. Including on the FTC’s current priorities, authorities and performance, including its human resources efforts securing and retaining the best experts in the fields of antitrust and consumer protection. While we are in a challenging fiscal environment, the House Appropriations Committee approved two million more dollars for the FTC than the agency requested for fiscal year 2019.

I am also encouraged by the large refunds the FTC has been able to return directly to consumers—most recently to Uber drivers and customers who bought deceptively marketed bed bug products—consumers in both cases receiving average checks over \$200.

This is a unique tool in the FTC’s toolbox. The FTC has returned over \$543 million to consumers and deposited \$94 million into the U.S. Treasury. FTC orders in the *Volkswagen*, *Amazon*, and *Net Spend* matters required defendants to self-administer consumer refund programs worth more than \$11.5 billion.

The FTC’s enforcement authorities are broad and far reaching. The unique position of the FTC as the civil law enforcement agency for the majority of the U.S. economy cannot be taken lightly. Calls for expanded rulemaking authority—shifting the agency from its expertise in enforcement to regulatory and rulemaking—raises serious questions for me because Congress has explicitly granted the agency rulemaking that has not been utilized in years.

Some may argue that the FTC is not equipped to handle the challenges of the day—but I believe their actions speak louder than words. The FTC has vigorously defended its jurisdiction and consumers and we have no reason to believe that will stop any time soon.

Finally, the FTC plays an important enforcement role in the EU-U.S. Privacy Shield framework, particularly relating to compliance and enforcement of U.S.

businesses. With the second annual review of the Privacy Shield by the European Commission coming this fall, we want to hear about FTC's and Commissioners' roles, and what can this Committee do to help make sure the thirty-one hundred businesses— including many small businesses—continue to have access to the Privacy Shield.

Thank you to all of our witnesses for being here today. I yield to the gentlewoman from Illinois, ranking member of the subcommittee, for her five minute opening statement.